

**COMMENTS OF THE
NATIONAL STAR ROUTE MAIL CONTRACTORS ASSOCIATION
IN RESPONSE TO THE POSTAL REGULATORY COMMISSION'S REQUEST FOR
COMMENTS:**

**NOTICE OF PROPOSED RULEMAKING
SERVICE PERFORMANCE AND CUSTOMER SATISFACTION REPORTING
DOCKET NO. RM2022-7**

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Pursuant to the Postal Reform Act of 2022 and as codified at 39 U.S.C. Section 3692, the Postal Regulatory Commission (PRC) has proposed that the United States Postal Service develop a public performance dashboard that provides insight into on-time performance failures.¹ The National Star Route Mail Contractors Association (NSRMCA) is concerned that the reporting requirements, as proposed in a Notice of Proposed Rulemaking on September 30, 2022, will fall short of their intended purpose without additional guidance as to how the Postal Service identifies and describes “root causes” of those delays or how it assigns “point impact data” to each of those causes. As currently proposed, the PRC’s effort to balance “the utility of the data and the burden to the Postal Service” could result in a performance dashboard that inhibits the ability to accurately diagnose and address on-time delivery challenges.²

The National Star Route Mail Contractors Association

NSRMCA is the national, and only, organization that represents the companies comprising the Postal Service’s surface transportation network. Its members range from small, multi-generational family businesses to some of the largest transportation companies in the nation. These companies play a critical role in the reliable, affordable transportation of the mail throughout the United States. They operate nearly every component of the surface transportation network today, including regional consolidation and air-handling facilities. Collectively, NSRMCA members manage approximately \$3.5 billion in Postal Service transportation contracts.

NSRMCA also works closely with the Postal Service to help it fulfill its vital role in connecting the nation. For decades, NSRMCA has facilitated a constructive relationship with Postal Service leadership and staff to address industry challenges. That collaboration continues to this day. NSRMCA supports the Postal Service’s effort to redesign and modernize its surface transportation network, and it is helping to educate both longstanding and new transportation suppliers about those changes. The association shares in the Postal Service’s mission to improve on-time delivery performance and transportation accountability.

The Postal Service Public Performance Dashboard Should Provide Accurate, Actionable Information to the Industry and Public on the Role of Transportation

The PRC’s proposed Service Performance and Customer Satisfaction Reporting rule creates a requirement that the Postal Service provide “point impact data” for market dominant products that fail to meet on-time performance.³ Supporting this measure of performance decline, the Postal Service is to identify and describe the “top ten root causes of on-time performance failures” for each product.⁴ This reporting encompasses First-Class Mail, Marketing Mail, Periodicals, and Package Services.⁵

¹ See 39 U.S.C. § 3692(c).

² 87 Fed. Reg. 59363, 59364.

³ *Id.* at 59366–67.

⁴ *Id.* at 59364.

⁵ *Id.* at 59366–67.

On its face, these requirements will, as the PRC proposes, help in “isolating significant drivers of delay for products that do not meet their service performance goals.”⁶ Unfortunately, insufficient guidance within the proposed rule may result in a public performance dashboard that fails to provide insightful and actionable information to address performance challenges. This may be particularly true as it pertains to the Postal Service’s surface transportation network.

While the proposed rule expressly states that the Postal Service “report the point impact data for the top ten root causes of on-time service performance failures” and provide “[i]dentification and a description of all potential root causes of failure,”⁷ it does not establish any requirement that the Postal Service explain its methodology for doing so or transparency into the underlying data. Yet understanding its methodology and having visibility into the underlying data is necessary for a truly effective dashboard.

The challenge of achieving on-time performance, the complexity of Postal Service operations, and the importance of having visibility into the Postal Service’s methodology and data are particularly acute for the surface transportation network. Numerous factors can result in transportation delays, many of which are beyond the control of the transportation suppliers. On a day-to-day and seasonable basis, weather and traffic can have sizeable impacts on the timely movement of mail between Postal Service facilities. So can staffing issues at Postal Service facilities, which can delay the loading and offloading of trucks that may otherwise be on time.

These same issues can be reflected in systemic issues that may impact on-time performance. Whether schedules are accurately designed to accommodate real-world conditions can mean the difference between on-time and late transportation. Similarly, schedules have not previously accounted for the limitations of Postal Service facilities, such as insufficient dock doors to accommodate inbound transportation to ensure timely loading of waiting vehicles. Finally, there can simply be challenges to accurate data collection, particularly when transportation interfaces with Postal Service facilities.⁸

Transportation is a critical component of the Postal Service’s ability to meet its performance objectives, and delays can seriously impact Postal Service operations. Undoubtedly, transportation delays will be, although not always, a “top 10 root cause” of on-time performance declines. But failing to require specificity in that assessment will make it difficult, if not impossible, for the public to understand how transportation may contribute to delays.

⁶ *Id.* at 59364.

⁷ *Id.* at 59366 (citing Section 3055.20).

⁸ *See, e.g.,* Mail Delivery, Customer Service, and Property Conditions Review —Select Units, St. Louis, MO Region at 7–8, USPS OIG, Aug. 31, 2022, *available at* <https://www.uspsoig.gov/sites/default/files/document-library-files/2022/22-115-R22.pdf> (sharing that postal facility manage “did not monitor scan performance data to ensure that all trucks received an arrival scan”).

Precise, Accurate, and Transparent Reporting is Important for the Continued Viability of Surface Transportation Network

Beyond Postal Service operations, precise, accurate, and transparent reporting when there is an on-time performance decline is particularly important for the surface transportation network for two reasons.

First, it will be impossible to resolve systemic or address broader transportation industry issues if the reporting does not provide actionable information. Even if routes are perfectly designed and the flow of mail is seamless through postal facilities, Postal Service transportation suppliers do not operate in a vacuum. Industry issues—such as equipment shortages, driver retention challenges, or regulatory burdens—many of which were experienced simultaneously over the past few years can significantly impact transportation reliability on a national scale. The fix in these circumstances is not necessarily increasing the number of suppliers or additional facilities. Instead, the solutions may require more creative approaches such as contract flexibility, increased transportation spend, or other mitigating steps. A robust performance platform will help facilitate public and industry engagement to address these types of challenges.

Second, unlike other transportation suppliers to the United States federal government, those companies that contract with the Postal Service compete against the Postal Service’s own fleet for the opportunity. The Postal Service leverages private transportation companies, and has done so since at least 1835, because they are a cost-effective avenue for transporting mail throughout the nation. But the continued reliance on private companies is not required and is periodically re-evaluated by the Postal Service or challenged by political interests. The PRC should take steps to ensure that the dashboard does not unintentionally become a tool to unfairly assess these private companies.

Summary assessment of root causes, whether it is particular to transportation, will obscure data-driven analysis and the implementation of effective solutions. For the surface transportation network to be fairly evaluated, particularly when compared to the alternative of using Postal Service’s own fleet, the performance dashboard needs to be precise, accurate, or transparent. That approach will ensure that issues are effectively resolved and that transportation suppliers are fairly evaluated.

Conclusion

The public performance dashboard will be a valuable tool as the Postal Service pursues its ambitious agenda under the *Delivering for America* plan. The proposed rule requiring “root cause” identification and description of performance declines will offer unique insights into the Postal Service’s operations and help address challenges in the years ahead. But a dashboard is only as useful and reliable as the data it digests and displays. NSRMCA encourages the PRC to take steps to ensure that the dashboard can be fully leveraged for the benefit of the Postal Service and its industry partners.